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# Research Note

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## PULPWOOD PRICES FOR THE MIDSOUTH, 1982

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### SUMMARY

Average prices for roundwood, chipped residues, and saw-dust rose 4 percent from 1981 to 1982. Pulpwood price increases are due to inflation as real costs have remained stable. The price for softwood roundwood is \$52.89 per cord; hardwood roundwood is \$39.79 per cord.

Additional keywords: pulpwood, roundwood, residue, sawdust.

In the Midsouth, average prices for roundwood, chipped residues, and sawdust all rose in 1982 from 1981 levels. The average price per cord of all roundwood increased 4 percent to \$48.12. Softwood roundwood increased to \$52.89 per cord, a 5 percent rise. Hardwood roundwood increased by less than 1 percent to \$39.79 (table 1).

The average price per ton of chipped residues increased 6 percent from \$24.31 to \$25.72. Softwood chips rose 7 percent to \$27.95, and hardwood chips increased 4 percent to \$20.78 (table 2).

The average price of sawdust per ton increased 12 percent to \$9.17. Softwood and hardwood sawdust increased, 18 and 70 percent respectively (table 3).

Both truck and rail price for softwood increased from 1981 prices

(tables 4 and 5).<sup>1/</sup> Softwood roundwood by truck increased \$2.21 to \$54.33 per cord. Rail prices of softwood roundwood increased \$1.92 to \$50.19 per cord. Truck prices of hardwood roundwood decreased \$0.28 while rail prices increased \$1.26.

Truck and rail prices increased for softwood and hardwood chips. The largest rise was in truck-priced softwood chips, \$2.17. Rail price softwood chips increased \$1.38. Hardwood chip truck prices rose \$0.69 and rail price hardwood chips rose \$1.18 (tables 4 and 5).

Over the past several years pulpwood price increases have been due to inflation; real costs have remained stable (fig. 1). This is due in part to the renewable aspect of the forest resource. As long as supply is not out-stripped by demand, this trend is likely to persist in future years.

Midsouth pulpwood prices in this study are based on information supplied by firms pulping more than 50 percent of the wood fiber received by mills in Alabama, Arkansas, Louisiana, Mississippi, Oklahoma, Tennessee, and Texas.

<sup>1/</sup>

In this report, rail prices are those paid upon delivery (by truck) to a rail siding and do not imply expenses paid for railway freight.

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The prices reported in tables 1 through 5 are f.o.b. at the pulp mill, mechanized yard, or rail car. The prices do not include freight, woodyard, overhead, or similar expenses. All roundwood prices are based on standard cords; chipped residues and sawdust prices are based on tons. For mills not reporting in standard units, conversion factors were applied by U.S.D.A. Forest Service.

Prices also are compiled by two types of delivery -- truck and rail. Truck prices are f.o.b. at the mill yard. Rail prices are f.o.b. at the siding or mechanized woodyard. The cost of transporting wood from rail loading point to the mill is paid by purchaser, resulting in rail prices being slightly lower than truck prices.

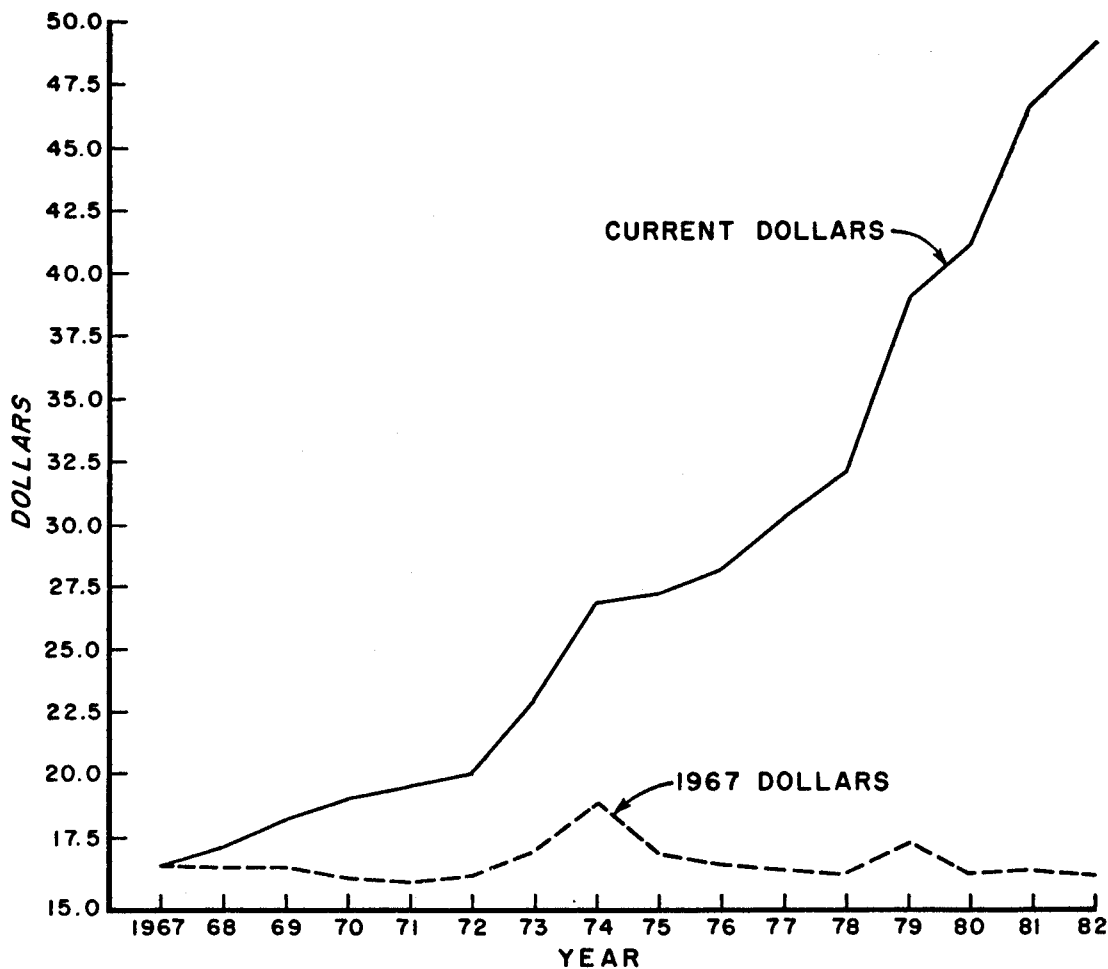


Figure 1.--Average annual pulpwood roundwood prices in current and 1967 dollars per cord.

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Table 1.-- Trends in average prices per cord for Midsouth roundwood

Year	All species	Softwood	Hardwood
----- dollars -----			
1972	20.12	20.80	18.56
1973	22.97	23.84	21.32
1974	27.28	28.24	25.32
1975	27.82	28.71	25.71
1976	28.68	29.76	26.50
1977	30.35	31.42	28.10
1978	32.10	33.15	30.35
1979	38.11	40.09	33.92
1980	41.23	43.31	36.69
1981	46.45	50.44	39.48
1982	48.12	52.89	39.79

Table 2.-- Trends in average prices per ton for Midsouth chipped residues

Year	All species	Softwood	Hardwood
----- dollars -----			
1972	7.66	7.79	7.18
1973	8.49	8.50	8.44
1974	10.43	11.12	9.73
1975	11.48	11.76	10.04
1976	11.88	12.39	10.21
1977	12.96	13.46	10.93
1978	14.09	14.66	12.28
1979	17.49	18.37	15.02
1980	19.75	21.08	15.69
1981	24.31	26.12	19.91
1982	25.72	27.95	20.78

Table 3.-- Average price of sawdust per ton for 1981-82

Year	All species	Softwood	Hardwood
----- dollars -----			
1981	8.19	8.42	4.94
1982	9.17	9.96	8.42

Table 4.-- Average prices for truck delivery of roundwood and chipped residues

Year	Softwood		Hardwood	
	1 Roundwood	2 Chips	1 Roundwood	2 Chips
----- dollars -----				
1978	33.15	14.28	30.94	12.09
1979	41.33	19.22	35.21	14.89
1980	45.36	21.75	38.81	15.80
1981	52.12	26.21	40.38	20.08
1982	54.33	28.38	40.10	20.77

1  
Price per cord.

2  
Price per ton.

Table 5.-- Average prices for rail siding delivery of roundwood and chipped residues

Year	Softwood		Hardwood	
	1 Roundwood	2 Chips	1 Roundwood	2 Chips
----- dollars -----				
1978	33.16	14.87	29.98	12.50
1979	38.90	18.01	32.90	15.10
1980	41.95	19.70	35.12	15.06
1981	48.27	26.05	37.52	19.62
1982	50.19	27.43	38.78	20.80

1  
Price per cord.

2  
Price per ton.